Overview of Financial Results

Overview
First-Half Results for FY2013

November 5, 2013

IBJ Leasing Co., Ltd.

This document contains forecasts and other forward-looking statements that are based on information available at the time of preparation of this document. Actual business results may differ materially from those expressed or implied by such forward-looking statements due to various factors.

Consolidated P/L

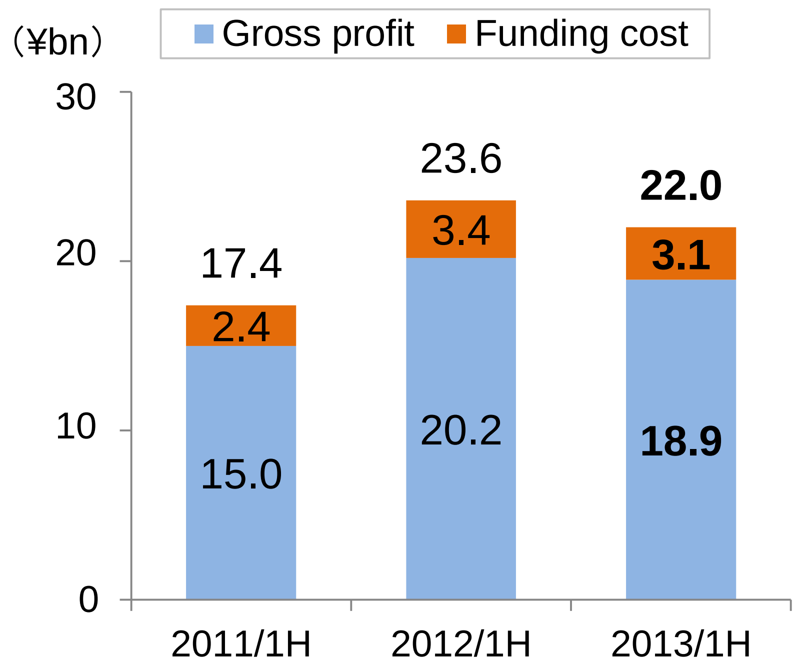
- Although there was a decline in gross profit before write-offs and funding costs, the improvement in credit costs/funding costs resulted in a significant increase in profit at all levels
  — ¥1.7bn reversal of credit cost provision in 1H (provision of ¥3.3bn booked in the same period of the previous fiscal year)
- Profit at all levels reached around 70% of full year forecasts

Consolidated P/L (¥bn)	FY11 1H	FY12 1H (A)	**FY13 1H (B)**	Change (B)-(A)	Percentage Change (B)/(A)	FY13 Forecast <% progress>
Revenues	128.9	178.8	**177.0**	-1.8	-1%	<54%> 330.0
Gross profit before write-offs, funding costs	17.4	23.6	**22.0**	-1.6	-7%	—
(Funding costs)	(2.4)	(3.4)	**(3.1)**	(-0.3)	(-10%)	—
Gross profit	15.0	20.2	**18.9**	-1.3	-6%	—
(General expenses)	(6.8)	(9.3)	**(9.4)**	(+0.1)	(+1%)	—
Operating income	8.6	7.5	**11.1**	+3.6	+49%	<72%> 15.5
Ordinary income	9.2	8.0	**11.4**	+3.4	+43%	<69%> 16.6
(Ordinary income before write-offs)	(8.8)	(11.3)	**(9.7)**	(-1.6)	(-14%)	—
(Credit costs)	(-0.4)	(3.3)	**(-1.7)**	(-5.0)	(—%)	—
Net income	5.3	4.2	**7.0**	+2.8	+64%	<70%> 10.0

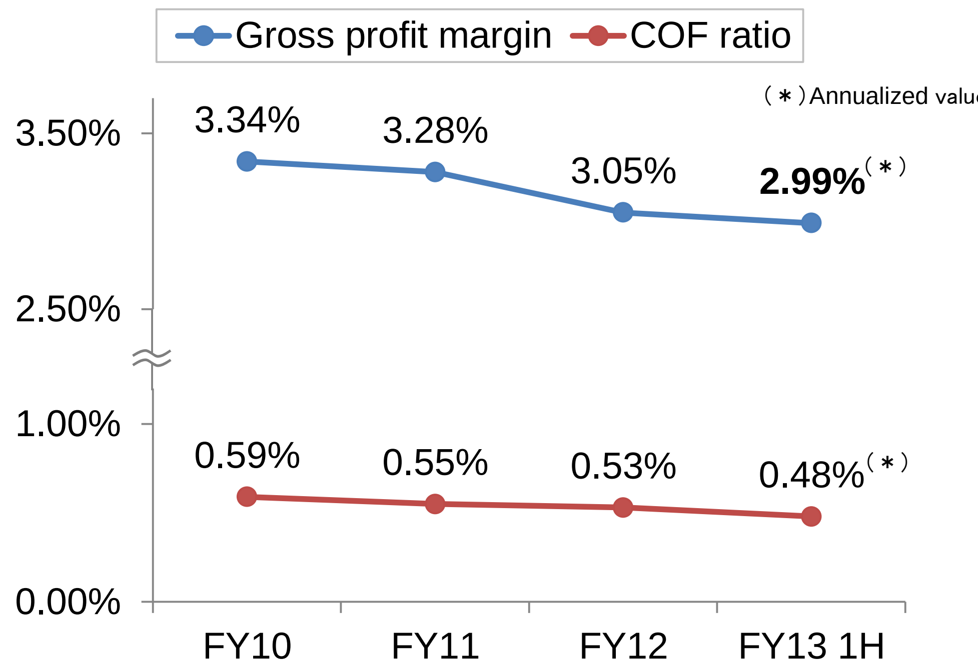
P/L Overview

- Gross profit before write-offs and funding costs declined due to the ongoing reshuffling into low-yield assets amid continued low interest rates
- Funding costs declined amid continued efforts to improve financing rates
- 1H efforts towards yield improvement have not yet halted the decline in gross profit margin

Gross profit before write-offs, funding costs



Yield

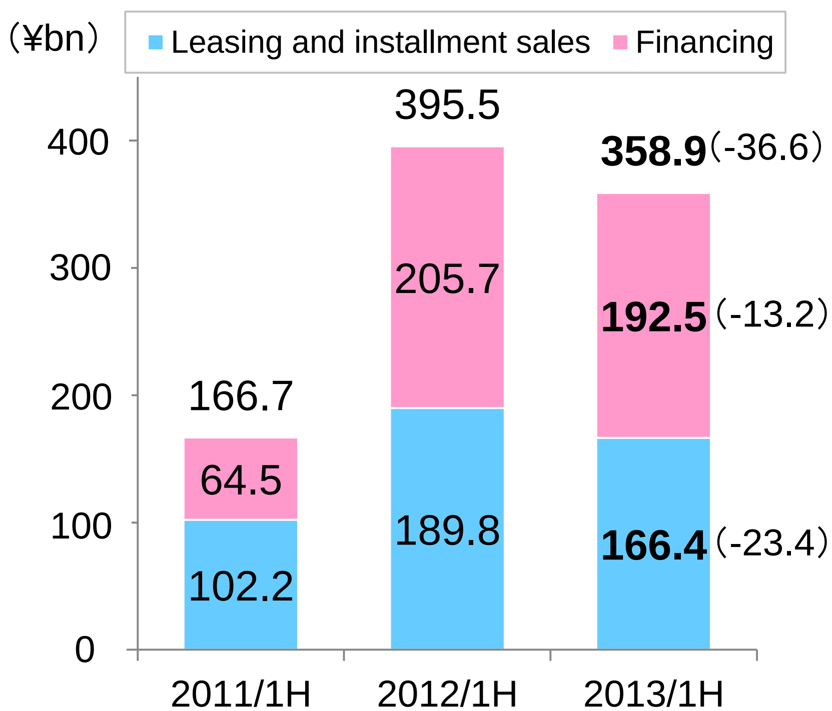


(Note) Gross profit margin = Gross profit / operating assets (average of beginning and end balances)
Funding cost ratio = Funding costs / operating assets (average of beginning and end balances)

Sales

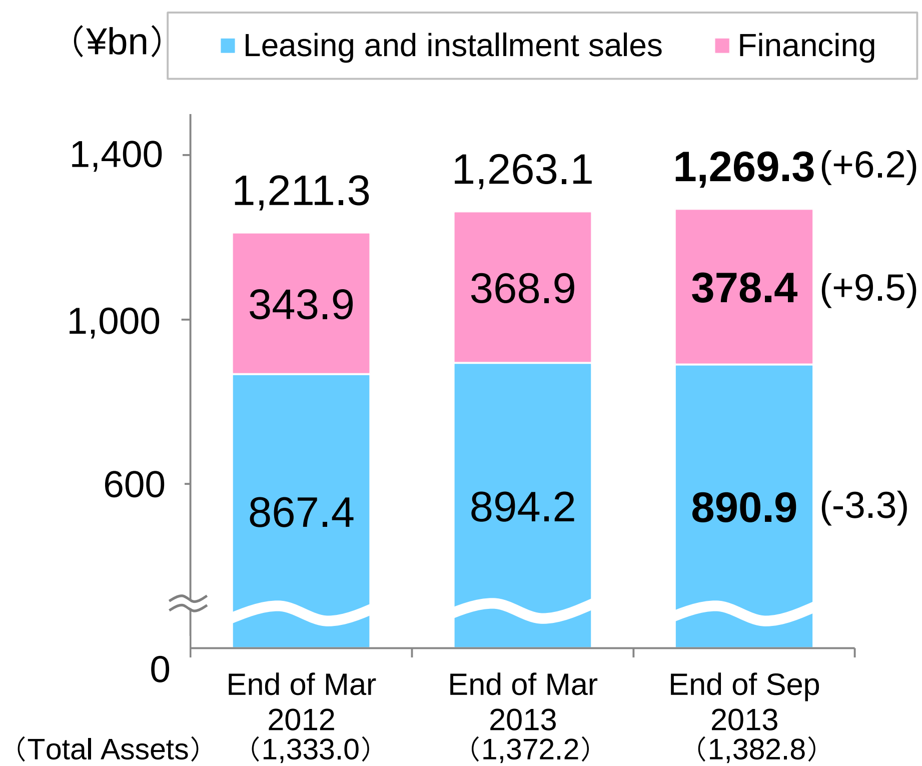
- Contract execution volume declined ¥36.6bn year on year due to the downturn following the nonrecurrence of some large projects executed in the previous fiscal year
  - Leasing and installment sales to large companies declined ¥32.1bn year on year
- The balance of operating assets at the end of September was roughly unchanged versus March 31, 2013, while financing assets increased due to factoring

Contract execution volume



＜Reference＞ Industry leasing volume for FY2013 1H was up 2.9% YoY (according to Japan Leasing Association data)

Operating assets



Contract Execution Volume by Equipment Type

〔Industrial and factory〕
Downturn following the nonrecurrence of some large projects executed in the previous fiscal year

〔Information and communications〕
Captured large-scale investment in communications equipment

〔Transport〕
Demand declined as benefits of subsidies faded

〔Construction〕
Captured demand from domestic rental Companies; China business robust

〔Medical〕
Captured considerable volume despite the decline in large projects

〔Commerce and services〕
Continued strong performance in projects targeting distribution, retail and logistics sectors

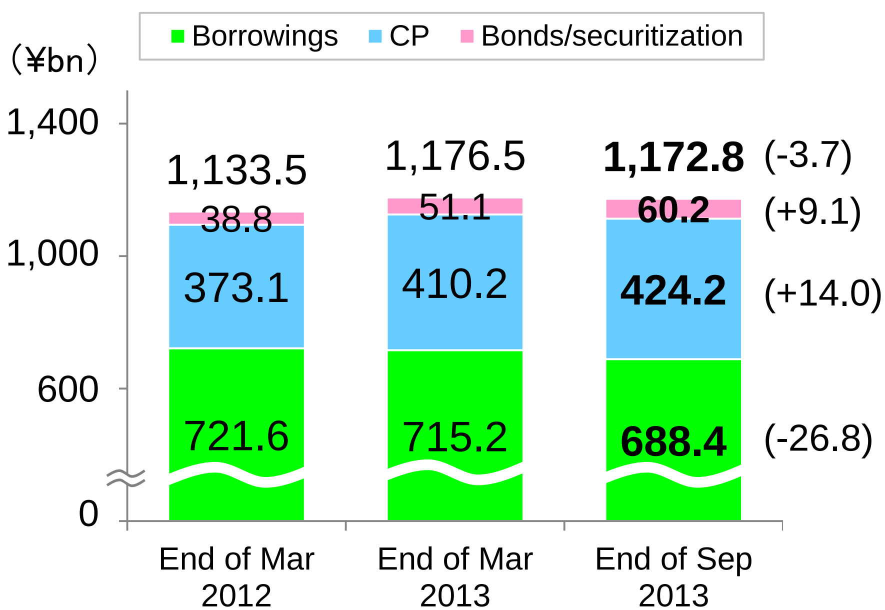
Contract execution volume by equipment type

(¥bn)	FY11 1H	FY12 1H	**FY13 1H**	Change (%)	
Industrial and factory	15.0	59.1	**31.1**	-28.0	(- 48%)
Information and communications	25.6	41.1	**48.0**	+6.9	(+17%)
Transport	15.8	19.1	**16.5**	-2.6	(- 14%)
Construction	15.3	17.9	**21.2**	+3.3	(+19%)
Medical	5.6	15.1	**13.0**	-2.1	(-14%)
Commerce and services	12.3	13.2	**13.8**	+0.6	(+5%)
Clerical	4.2	6.6	**6.6**	0	(-1%)
Other	8.5	17.6	**16.2**	-1.4	(- 8%)
Total	102.2	189.8	**166.4**	-23.4	(-12%)

Interest-bearing Debt and Net Assets

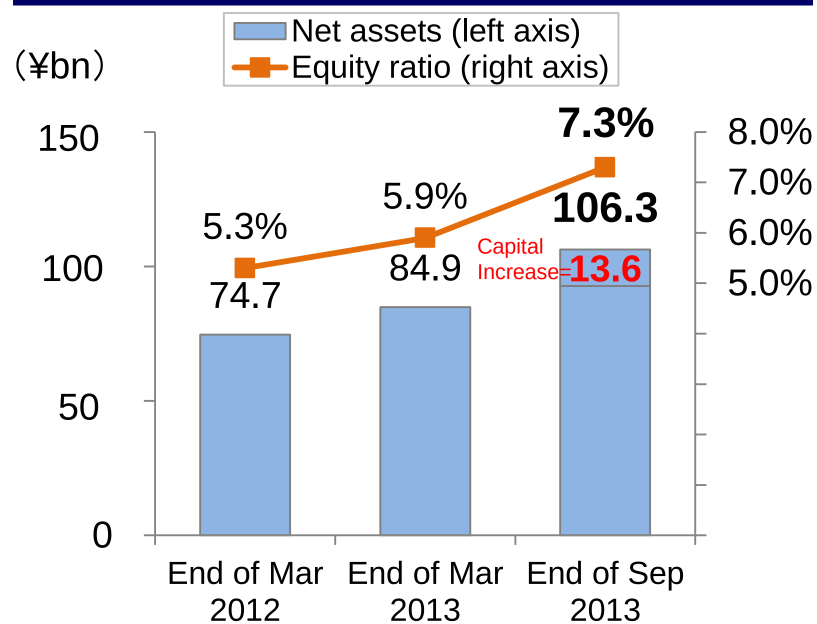
- Reduced funding costs and worked to secure quality funding by utilizing CP and continuing to issue corporate bonds, etc.
- Net assets increased ¥21.4bn versus March 31, 2013, to ¥106.3bn, due to the public offering, the accumulation of net income and other factors
  - Equity ratio rose 1.4% versus March 31, 2013, to 7.3%
  - Overview of Capital Increase: New shares ¥10.5bn (5,000,000 shares); Overallotment ¥1.7bn (800,000 shares); Treasury stock ¥1.4bn (650,000 shares)

Interest-bearing debt



(¥bn)	2011 1H	2012 1H	2013 1H
【Funding costs】	2.4	3.4	3.1

Net assets / Equity ratio



Purpose of Capital Increase

- The Japanese economy and Japanese companies are staging a revival under the government's growth strategy aimed at ending deflation
- The emergence of companies' latent capital investment needs means an expansion of business opportunities for the IBJ Leasing Group

Funding and Capital Procurement through Share Sale

Secure Resources for Growth

Strengthen Financial Base

Expanded Business Infrastructure

Maximize customer base and networks with financial institutions and companies with which the Group has a close relationship

- **Bolster core business (leasing and installment sales, etc)**
- **Respond to diverse financial needs**
- **Strengthen overseas business initiatives**

Ensure Stable, Flexible Management

Build capital to expand our realm of business operations

- **Expand investment capacity (risk tolerance)**
- **Further strengthen creditworthiness**

Steadily increase earnings power to ensure sustainable growth

Full Year Forecast

- Strong progress in 2Q towards meeting full-year targets based on factors including the decline in credit costs, but full year earnings forecast is cautious due to lower yields arising from the reshuffling of assets and in view of an environment where competition, including from other business categories, is fierce
- We have resolved to pay an interim dividend of ¥26 per share. When combined with the planned year-end dividend of ¥26 per share, the annual dividend will amount to ¥52 per share (+¥2 per share), marking the 12th straight year of increase

(¥bn)	FY2012 (Results) (A)	**FY2013 (Forecast) (B)**	**1H**	**Progress rate**	Change (B)-(A)	Percentage change (B)/(A)
Revenues	352.5	**330.0**	**177.0**	**54%**	-22.5	-6.4%
Operating income	14.7	**15.5**	**11.1**	**72%**	+0.8	+5.7%
Ordinary income	15.4	**16.6**	**11.4**	**69%**	+1.2	+8.0%
Net income	8.9	**10.0**	**7.0**	**70%**	+1.1	+12.1%

	FY2012		FY2013	Change
Annual dividend	¥50		¥52	+¥2
Interim dividend	¥24	(Resolved)	¥26	+¥2
Year-end dividend	¥26	(Plan)	¥26	—